



SUSTAINABILITY REPORT

2019



Joining hands to achieve  
sustainable growth

# CONTENTS

ABOUT THIS REPORT .....	3
SUSTAINABILITY AT AFRASIA BANK LIMITED .....	5
Sustainability Timeline.....	5
Materiality Matrix .....	6
Our Strategy .....	7
PILLAR 1: WORKPLACE RESPONSIBILITY – BEING AN EMPLOYER OF CHOICE (Human Capital).....	9
Work Force Composition .....	9
Our Objectives.....	10
Attract .....	10
Develop .....	10
Induction and onboarding newcomers.....	10
Training.....	11
Career development and performance appraisals .....	11
Retain .....	11
Internal Promotions .....	12
Extra Support.....	12
Benefits and Work-Life Balance .....	12
Grievances.....	12
Health & Safety.....	13
Culture Deployment .....	13
PILLAR 2: MARKETPLACE RESPONSIBILITY: FOCUSING ON CLIENT CENTRICITY AND QUALITY (Financial Capital, Manufactured Capital and Intellectual Capital) .....	15
Green Finance .....	15
AfrAsia as a sustainable brand .....	15
Digital HR .....	15
Quantum Upgrade .....	16
Internet Banking.....	16
Ethical Behavior and Compliance .....	17
IT Security .....	17
Heritage site .....	18
PILLAR 3: ENVIRONMENTAL RESPONSIBILITY (Natural Capital).....	19
Electricity Consumption .....	19
Waste Management.....	20
Paper .....	20
E-Waste .....	20
DARE & Sustainability.....	21
Sourcing Policy.....	21
Radio Frequency Identification (RFID) Technology.....	21
PILLAR 4: SOCIAL RESPONSIBILITY (Social & Relationship Capital) .....	22
AfrAsia Foundation .....	22
Education.....	24
Health.....	25
Environment .....	26
Customer Experience .....	26
Engaging with our Stakeholders .....	27

# ABOUT THIS REPORT

## REPORTING PERIOD

AfrAsia Bank Limited (the “Bank” or “AfrAsia Bank” or “ABL” or “AfrAsia”) Integrated Report 2019 is a thorough report that addresses our economic, environmental and social performance for the Financial Year 2018-2019, as well as our vision and goals.

## TARGETED AUDIENCE

This report is intended for all stakeholders of the Bank. Together with the Sustainability Report (available on our website), this Integrated Report 2019 gives emphasis to material issues, value creation over the short, medium and long-terms, as well as disclosure and transparency to enable our stakeholders to make informed decision.

## INTERNATIONAL STANDARDS

Last year, AfrAsia Bank submitted its first Integrated Report which was based on the Integrated Reporting Framework as directed by the International Integrated Reporting Council (IIRC) and on the GRI Reporting Principles, a set of standards that is essential to reporting non-financial metrics.

For the first time in its history, AfrAsia Bank is providing both an Integrated Report which gives a detailed overview of its financial performance and a Sustainability Report. The Bank’s first Sustainability Report 2019 (available on our website) must be read in conjunction with its Integrated Report and provides a comprehensive overview of its sustainability strategy and initiatives.

## BOUNDARIES

This report includes information pertaining to AfrAsia Bank Limited and its subsidiaries. The boundaries for Key Performance Indicators have been clearly stated in light of our commitment to being more transparent with regards to our stakeholders.

## FORWARD LOOKING STATEMENT

Note that this report also includes forward-looking statements, which may change in future in line with the corporate strategy and vision.

## CONTACT

AfrAsia Bank welcomes feedback and suggestions on this report, which may be communicated to Mrs. Luvna Arnassalon-Seerungen, Head of Corporate Sustainability & CSR, at [Luvna.Arnassalon@afasiabank.com](mailto:Luvna.Arnassalon@afasiabank.com).

***Should you need a paper copy of AfrAsia Bank’s Sustainability Report 2019, please contact the Corporate Sustainability & CSR Team at [abss@afasiabank.com](mailto:abss@afasiabank.com) or via phone (+230) 403 5500. You may also contact us via post [4th Floor NeXTeracom Tower III / Ebene 72201 / Mauritius]. You are requested to provide your full name and full postal address.***

Dear Readers,

Sustainability in the banking sector is widely referred to as “ESG”, which stands for Environmental, Social and Governance for the three factors in measuring the sustainability and ethical impact of investments.

Today, ESG is increasingly being used as a baseline for measuring the success of companies. It allows investors to effectively assess an organization’s resilience, adaptability, long-term sustainability and capacity for growth in a holistic manner.

In Mauritius, although, there is a lack of regulation on extra financial reporting, AfrAsia has taken the initiative to report on its ESG KPIs on a yearly basis. Since 2015, we have been regularly submitting a report on our sustainability performance to the United Nations Global Compact. A commitment, which is renewed every year by our CEO. Starting last year, we started the journey to align our report with the GRI Standard. This year, as well, we are on this same trend and will be going one step further by showcasing the standards throughout this report. As from April 2019, we concretized this engagement by joining the global GRI community.

As part of our strategy to be seen as a sustainable brand, we have also been involved in various initiatives such as the organisation of the first AfrAsia Bank Sustainability Summit in Mauritius in October 2018. This was a first edition of its kind in Mauritius, where we brought together practitioners and specialists in the sustainability field over two days in October. The aim was to showcase how collaborations between different organisations are driving the Sustainable Development Goals (SDGs) at the local level, as well as giving opportunities for businesses to connect in-person with local networks from around the world. The objectives of this summit was to engage with our stakeholders, to share experiences and lessons learnt on sustainability issues with other professionals, to explore the implementation of SDGs in businesses, to establish new and strengthen existing networks with various sustainability practitioners and communities, and to explore new opportunities in terms of developing initiatives between the public and the private sectors.

We understand that sustainability represents not only a way to be more responsible in the way we operate but also a great business opportunity for AfrAsia. Internally and externally, we are prepared to change the way we bank and provide our clients with an alternative to traditional banking products and services.

Going forward, we will review, adapt and align our strategy as per the needs of our stakeholders and the materiality issues for our businesses.

Sustainably yours,

The Corporate Sustainability & CSR department



# SUSTAINABILITY AT AFRASIA BANK LIMITED

## SUSTAINABILITY TIMELINE

Our Sustainability Journey started way back in 2015 with our first reporting to the United Nations Global Compact. An initiative which we have upheld continuously since then.

As one of the pillars of AfrAsia's "Bank Different" philosophy, sustainability is steadily being integrated in the Bank's culture. The pursuit of sustainable practices is an ongoing process, which is being advocated by the Sustainability Champions of the Bank.

### 2015

- › Introduction of sustainability reporting in annual report
- › First reporting to UNGC
- › Development of our 4 sustainability pillars

### 2016

- › Enhanced status for UNGC
- › Enhancement of our social & relationship and natural capitals through the creation of AfrAsia Foundation
- › Sustainability Reporting on SDGs in annual report
- › Sponsored film "Demain"

### 2017

- › Official launch of AfrAsia Foundation and AfrAsia School
- › Participation in the SDG conference in India
- › Working on developing Sustainability in our Integrated Report
- › Research & Development of the Global Reporting Initiative (GRI)
- › Development of a page dedicated to Sustainability on our website
- › Health Awareness Initiatives (Movember, Women's Health Month – free screening for staff)

### 2018

- › Head of Corporate Sustainability & CSR nominated as chairperson of the Global Compact Advisory Committee to Mauritius
- › Participation in UN conference (Making Global Goals Local Business) in Argentina
- › Health Awareness Initiatives (Movember, Women's Health Month – free screening for staff)
- › Launch of Global Compact Network Mauritius with AfrAsia Bank as Chair
- › Launch of first AfrAsia Bank Sustainability Summit
- › Achieved Advanced Level on UNGC for Integrated Report 2018
- › Participation in UN Conference (Making Global Goals Local Business) in Morocco

### 2019

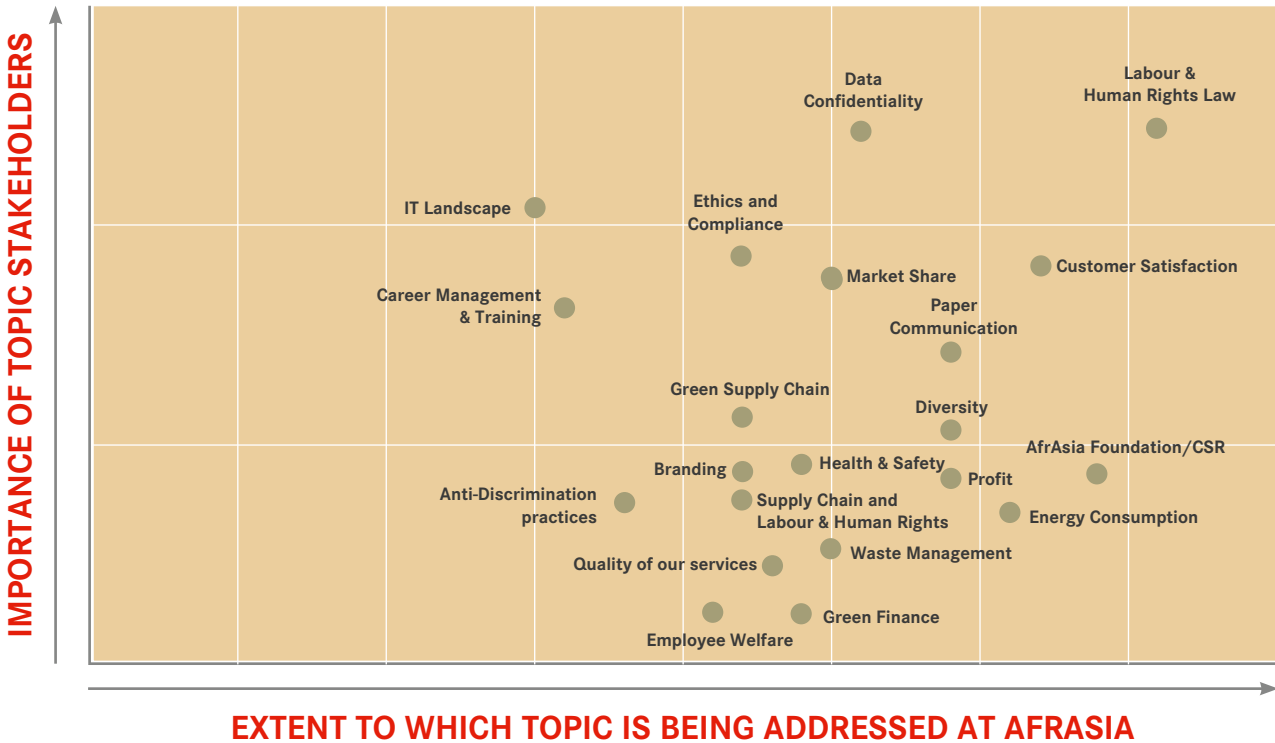
- › Participation in Salon ProDurable
- › GRI community member
- › 2-days awareness workshop for sustainability champions
- › Launch of ABSS Breakfast Meet in Johannesburg
- › Participation in the creation of the Voluntary National Review (VNR) report of Mauritius

## MATERIALITY MATRIX

> Materiality Assessment [GRI 101]

Last year marked the beginning of AfrAsia’s engagement with its stakeholders on sustainability topics. One of the first steps was the Materiality Assessment, designed to gather insights on how important specific Environment, Social and Governance (ESG) issues are to our stakeholders. These insights are then used to guide our sustainability priorities, as well as reporting and communication needs.

The detailed methodology is given in last year’s Integrated Report, which can be found online at <https://www.afrasiabank.com/media/3332/integrated-report-2018.pdf> on page 117 - 119 and the results are as follows:



Progress achieved:

Our HR department focused on Career Management & Training, which resulted in an increase in the total number of training hours for our staff. We also designed various types of training to better suit the needs of our people including the revamping of our induction programme for the newcomers amongst others.

The way forward:

As a result of the materiality assessment, the sustainability department will focus on two key areas for the financial year 2019-2020:

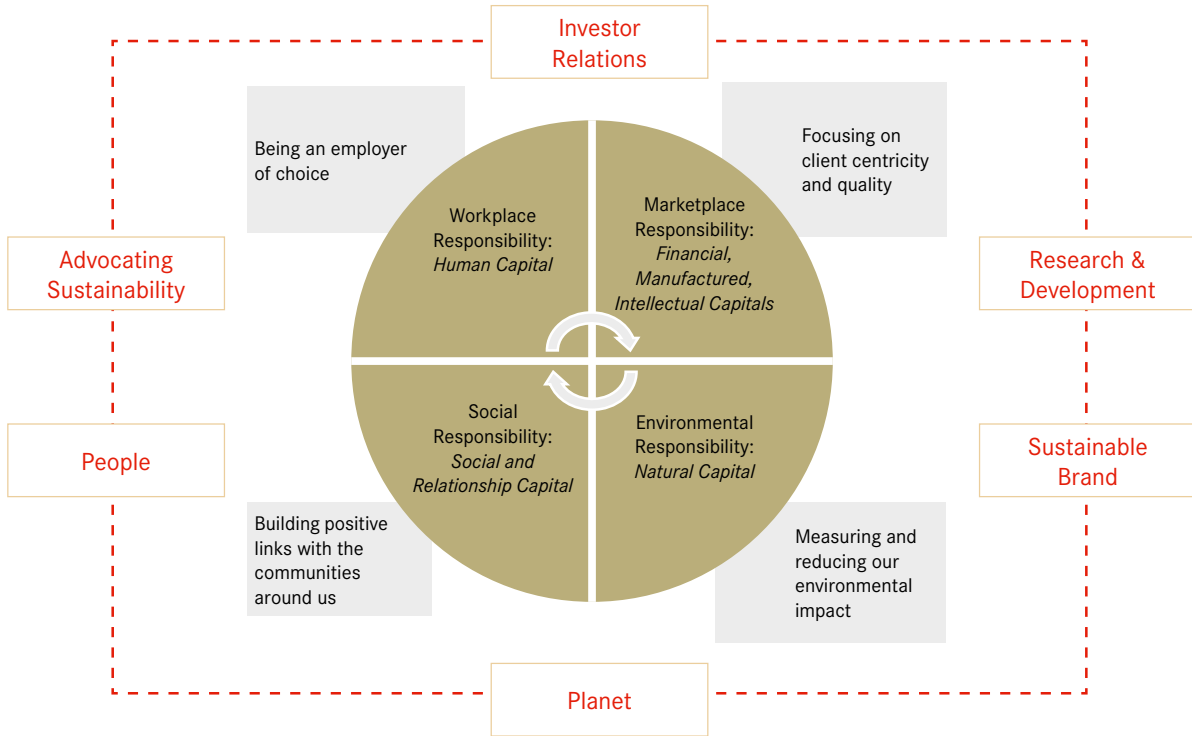
- Ethics and Compliance – A compliance week will be organized in collaboration with the compliance department to promote awareness on this topic within the Bank; and
- Green Supply Chain – Together with our Facilities and Procurement department, we will look into ways to revamp our supply chain.

Last year’s materiality assessment was online based. Going forward, we will conduct this exercise through workshops and debriefing sessions with our key stakeholders. This will allow us to engage with them in a better manner. Relevant departments will also be invited to the debriefing sessions so that they understand how to use the results of the materiality assessment to adapt their future strategy.

## OUR STRATEGY

AfrAsia Bank has been gradually integrating principles of sustainability into its operations since 2015. We believe in adopting an integrated approach and our strategy takes into consideration Financial, Human, Social & Relationship, Natural, Intellectual and Manufactured Capitals.

Our 2021 strategy is based on the 4 pillars of sustainability, which is further developed into 6 core focus areas.



For the first couple of years, we made the conscious decision to focus on developing the workplace and social pillars to change the mindset of our staff and instill a culture of Corporate Social Responsibility and Sustainability. The next phase is the development of Marketplace and Environmental Responsibilities, which is currently ongoing at the Bank.

The way forward is to set quantitative targets in order to measure our progress with regards to the different initiatives undertaken.

Pillars	Main Objective	GRI Standards	SDGs
Workplace Responsibility (Human Capital)	We aim to continue focusing on our greatest asset—our people—and foster an environment that promotes teamwork and innovation. We also strive to provide our staff with competitive salary rate, great benefits and a healthy work-life balance.	GRI 401	SDG 3
		GRI 403	SDG 4
		GRI 404	SDG 5
		GRI 405	SDG 8
		GRI 406	SDG 16
Marketplace Responsibility (Financial Capital, Manufactured Capital, Intellectual Capital)	As a financial institution, we have a key role to play in transitioning towards a low-carbon economy. We want to reduce our direct and indirect impact and also give our customers an opportunity to invest in climate solutions.	GRI 201	SDG 8
		GRI 202	SDG 11
		GRI 204	SDG 13
			SDG 16
Environmental Responsibility (Natural Capital)	As part of our strategy, we aim to focus on environmental issues that are material to the Bank, which includes: <ul style="list-style-type: none"> <li>› Reduction in paper and electricity consumption; and</li> <li>› responsible waste management. As the Bank is expanding rapidly, a baseline to measure KPIs is not recommended at this stage but we are still monitoring same.</li> </ul>	GRI 302	SDG 12
		GRI 306	SDG 13
			SDG 17
Social Responsibility (Social & Relationship Capital)	Through AfrAsia Foundation, the Bank is also focusing on empowering vulnerable groups. AfrAsia School, being the main project of the Foundation, we strive to provide continued support to our beneficiaries even after they have left our pre-primary school, through various initiatives.	GRI 203	SDG 1
		GRI 413	SDG 2
			SDG 3
			SDG 4
			SDG 10



# PILLAR 1: WORKPLACE RESPONSIBILITY - BEING AN EMPLOYER OF CHOICE (Human Capital)



## WORK FORCE COMPOSITION

	FY 17-18	FY18-19	Trend	GRI 401-1
Total Headcount*	368	402	↑	

Types of Contract*	FY 17-18	FY18-19	Trend	GRI 102-8
Contractual Long Term	30	21	↓	
Contractual Short Term	18	7	↓	
Part Time	1	1	→	
Permanent	319	373	↑	

	GRI 405-1
Gender Profile	
Male: 50 %	
Female: 50%	
*Rounded off to the nearest whole number	

\*Bank Employees only

Diversity in the workforce bringing innovation across the business and new ideas that challenge the status quo. It is also a means to increase happiness at work by working with individuals that celebrate being unique and share a different perspective.

Our employees are one of the most valuable stakeholders for the Bank. They play a key role in service innovation and value creation. AfrAsia continues to take positive steps towards becoming the "Employer of Choice".

We believe that communication flow between management and employees is key to maintain and enhance Employee eXperience (EX). The spirit of such exchanges has been supported by specific actions during the year. Initiatives include enhanced use of internal communication function to share specific information with employees, a revamped induction programme covering both indoor and outdoor activities, people first meetings, regular catch ups with Heads of Departments (HoDs) by HR, engagement survey, pulse check surveys, the setting up of the

A-Team to take forward actions from survey results. Training in soft skills has been an absolute success carrying recommendations provided by our employees. In order to strengthen employee engagement, awareness sessions on organisation values have been carried out across the Bank. Recognition is also key, we have been celebrating our people through instant rewards, press articles and on social media sites.

In addition, various initiatives have been implemented such as:

- › Regular People First meetings are carried by the Head of HR whereby staff can express themselves and actions are put in place based on feedback received.
- › Frequent Townhall events have been organised to share the Bank's performance & strategy.

## OUR OBJECTIVES

Our focus for the coming years is to clearly identify our Talent Pool and to put in place development & succession plans in a more structured and transparent manner therefore providing the basis for a sustainable future whilst optimising ABL's people potential within the organisation.

## ATTRACT

The goal of AfrAsia is to achieve excellence in customer service, which goes hand in hand with the type of talent being recruited by the Bank. A robust recruitment process, in line with the resourcing policy and the local legislation is in place allowing the Bank to find the right profile for each job.

FY 18-19 recruitment's strategy has been largely focused on the reinforcement on the support functions which in turn enhance the workflows. Additional human resources have been brought in for several reasons:

1. To address regulatory requirements (e.g. in compliance department)
2. To provide support to customer facing employees
3. To cater for future strategical needs and business development

In light with its strategy to attract top talents, we offer various financial and non-financial benefits:

1. Competitive remuneration packages
2. Healthy work life balance through flexible working schedule, work from home, flexible contract types
3. Housing loan
4. Revamp of our car and personal loans for employees

GRI 401-2

Additionally, the brand of the organization is one of the main factors which attracts both new candidates and ex-employees. The Bank is looked upon as one of the most innovative and growing banks in the country, where there is a positive environment for learning, personal and professional growth. We have been awarded EMEA Finance's African Banking Awards in 2018 as being the Most Innovative Bank Pan-Africa.

## DEVELOP

AfrAsia Bank is committed to investing in its people. Through constant skills development, a strong and high performing workforce is built, which ensures the Bank's success in the long term. We offer various types of training to its workforce which caters for development of soft and technical skills. These include: induction, workshops, conferences, online courses and many more.

### Induction and onboarding newcomers

This year, emphasis was put on revamping the induction sessions in order to inspire new AfrAsians. The induction sessions introduce the newcomers to experiential learning experiences in relation to the Bank's history, culture and values. This is conducted regularly with the participation and support of the management teams. In addition, new colleagues also have a designated buddy in their department to ease their integration.

## Training

	FY 17-18	FY18-19	Trend
% employees attending at least 1 training	100	100	→
Total training hours	6,500	15,600	↑
Average hours of training per employees	18	39	↑
Average hours of training per female employee	18	32	↑
Average hours of training per male employee	19	46	↑
MUR spent in training	11,000,000	10,000,000	↓

GRI 404-1

*Includes Bank employees only*

Compared to last year, there was an increase of 9,000 hours in training hours. We teamed with Dale Carnegie for soft skills training. We made use of our internal talent through sessions with Subject Matter Experts as well as revamping our Induction programme and providing over 400 employees with Values Alignment workshops. A learning platform was also implemented during the year which contributed to the increase in training hours. The learning platform is available online on our HCM system and is accessible to all employees.

Gender equality is of utmost importance in the development strategy of AfrAsia Bank whereby an increase of 14 hours has been noted in the average hours of training per female employees. ABL's female staff are inspired and empowered to attend high level leadership training (KIP Women Leadership Programme) in order to become innovative and disruptive leaders.

## Career development and performance appraisals

GRI 404-3

Through Oracle, the Bank's bi-yearly performance management system has been revamped. All employees have to go through an appraisal twice a year during which performance and training needs are discussed with their line managers.

## RETAIN

Employees leave the Bank for a variety of reasons such as further studies, better salary or benefits or perhaps embarking on new projects. However, in recent years, it has been noted that many choose to come back, stating that they enjoy the healthy working environment, as well as the positive team spirit and their deep belief in the Bank's DARE values as the motivation for their decision to return. Last year, 4 ex-employees were recruited by the Bank.

Many employees have stated that they enjoy the teamwork and leadership style whereby people work together to achieve results. They also appreciate the presence of leaders rather than managers, guiding employees to be independent so they can enhance their performance, and in turn be rewarded accordingly. The Bank has supported a number of employees in their career & professional development while promoting opportunities to learn in line with their individual career aspirations.

	FY 17-18	FY 18-19	Trend
Turnover Rate (Full Time Employee*)	9.48%	8.97%	↓

GRI 401-1

Employees, who were re-hired, have observed the positive changes made to improve the levels of engagement, such as the enhancement in the benefits being offered, the initiatives from senior management to get closer to people, the setting up of the A-Team that focuses on engagement drivers. All of these actions enhance the workplace environment by encouraging communication across the business. In addition, employees positively perceive the implementation of automation which has decreased manual work and hence increased satisfaction as well as efficiency and performance.

## Internal Promotions

GRI 404-2

Training and development plays a key role in the performance and career growth of AfrAsians. High performers are given the opportunities to take more responsibilities. 33 high performers were promoted across the business. We provided appropriate support (training needs and development) in order to ensure a smooth transition to this role.

## Extra Support

The Bank's strategy is also to support its staff even in cases of underperformance. Our employees are given concrete training (on the job or through off-site programs) and are constantly coached and monitored until the performance is on track.

## Benefits and Work-Life Balance

GRI 401-2

In addition to the various financial and non-financial benefits mentioned in the beginning of the chapter, we also provide the following in order to support work-life balance:

1. Contribution to wellness activities like yoga, Zumba and gymnasium have been on the agenda throughout the year.
2. A decrease in overtime has been observed and we believe some will continue to be the case as per the latest trend analysis.
3. Specific departments have also been promoting time off in lieu policy to allow employees working late hours so as they can enjoy meaningful breaks away from work.
4. Requests for special and sabbatical leaves have been endorsed to help employees explore their desire to undertake further education or to manage personal and family commitments.
5. The introduction of gifts to celebrate birthdays has been well appreciated by employees.

## Grievances

In recent years, the approach from management to encourage people to speak up has seen an increase in the number of grievances raised. We view this as a positive step towards becoming a better organisation and employer; listening and addressing concerns as they arise; creating an environment where people are free to speak up. In the same way we have taken a stronger stand in relation to discipline with an increase in the number of cases from 10 in 2017/18 to 17 in 2018/19; embedding our values, walking the talk and addressing performance and other disciplinary issues towards making a more positive overall environment.

### FY 18-19

11 Grievances

18 Written warnings

17 Disciplinary Actions

3 resignations

GRI 406-1

## Health & Safety

GRI 403-4

Through its Health & Safety Committee, the Bank creates a safe and healthy environment for its employees. This committee meets regularly to discuss and find solutions to health & safety issues that are reported through complaints or inspections.

4 meetings of the committee were held throughout the year

	FY 17-18	FY18-19	Trend
No of accidents reported at the workplace	3	1	↓

GRI 403-9

The Safety & Health Officer is also responsible to ensure that all employees have an ergonomic work station, which will reduce the incidence of repetitive strain injuries, common in an office environment.

## CULTURE DEPLOYMENT

The DARE culture is another way through which the Bank aims at engaging with its employees and ultimately retaining them. Various initiatives have been implemented in this respect:

### 1. Internal Initiatives: Culture Deployment

Culture meetings have been held for each department facilitated by the DARE Devils (Culture Ambassadors). The culture ambassadors meet on a fortnightly basis to discuss initiatives to be undertaken and the challenges which are being faced.

### 2. Launch of an internal competition to deploy the Anthem

AfrAsia's Anthem is a HAKA that all departments have been invited to perform on. A video was also produced on same.

### 3. Reinforce the message internally with staff

#iDARE quote screensaver campaign by the Management team that aims to set an example for the staff.

All the Heads of Departments including the CEO were tasked with providing the DARE team with a departmental picture along with a quote which they believe in and which they wanted to convey to their colleagues.

### 4. #weDARE quote screen saver campaign by all staff of the Bank

On a monthly basis, each department's team picture and 2 quotes are showcased on every laptop in AfrAsia as the screensaver. This allowed the department to promote the DO's (code of ethics) of the Bank.

### 5. Office Etiquettes

A campaign has been setup to roll out the Office Etiquettes via mailer and the internal platform to raise awareness amongst staff about the code of ethics and behaviours to be adopted in the workplace in general.

### 6. DARE Culture in staff's KPI

To ensure that employees are living the DARE values, same has been included in their key performance indicator, which started in financial year 2018/2019.

### 7. Equality & Diversity Initiatives

The ultimate objective is to celebrate the different national festivals i.e. Spring, Eid, Divali, Christmas and recognizing our individual differences.

## 8. Dragons Den

One of the innovative approaches taken by the DARE team is the implementation of Dragons Den. The Dragons Den aka Game of Thrones is the key initiative for the culture deployment which has been setup by the Culture Ambassadors. It is portrayed as a disruptive concept in line with ABL culture deployment program which aims to:

- › Provide all ABL staff the opportunity to participate and come forward with their leading innovative "game" changing ideas which will challenge the status quo.
- › Improve process efficiency to impact positively on Customer Experience.

### How does it work?

- › All staff are provided the opportunity to present their project(s) to their respective Heads of Department (HODs).
- › The HOD will select (during a Mini Den) the best idea(s) to present in front of a panel (represented by EXCO members) that is required to decide on whether the idea is to be funded.
- › Ideally, all departments try to present at least 1 proposal in front of the panel.

### Criteria of selection of the projects

- › Feasibility of proposal
- › Viability for the Bank
- › Budget requirements
- › Time frame for development and implementation
- › Risk assessment

## **PILLAR 2: MARKETPLACE RESPONSIBILITY: FOCUSING ON CLIENT CENTRICITY AND QUALITY (Financial Capital, Manufactured Capital and Intellectual Capital)**

The marketplace responsibility pillar demonstrates how we, at AfrAsia, manage our relationship with our customers, suppliers and business partners. We also ensure that high ethical standards are maintained across our business, which is critical for the Bank's reputation.

Starting last year, we have started to further develop the financial aspect of this pillar.

### **GREEN FINANCE**

GRI 201-2

With the ever growing concern from investors in regard to climate risks and the transition to a low-carbon economy, we, at AfrAsia, aim to work in collaboration with international agencies to provide Green Financial Mechanisms for our clients.

This financial year has been a year for consolidation of our sustainability department. The team has started to work on various programmes to give our customers opportunities to invest in climate solutions.

By next year, we aim to have at least 2 financial solutions in place at the Bank.

### **AFRASIA AS A SUSTAINABLE BRAND**

AfrAsia Bank is known for its "Bank Different" philosophy. As part of this journey, the Bank has been involved in various initiatives to position itself as a sustainable brand. These include:

#### 1. AfrAsia Bank Sustainability Summit (ABSS) (Oct 2018)

The launch of the ABSS in October 2018, a first in the Mauritian corporate world, was a significant milestone in AfrAsia Bank's sustainability journey. With a core theme "Translating The SDGs Into Your Business", through 8 panel discussions welcoming 40 panelists, our main aim was to trigger a staunch public-private sector collaboration by highlighting how inter-organisational cooperation drives the Sustainable Development Goals (SDGs). The summit welcomed participants from more than 10 countries across Africa, Asia and Europe as well as eminent experts from UN and Commonwealth.

#### 2. ABSS Breakfast Meet 2019 – Johannesburg

Aimed to be a starting point to discuss the requirements that a sustainable future needs, ABSS Breakfast Meet in Johannesburg in June 2019 has been a huge success through the sharing of knowledge, analysis of innovative approaches towards critical issues around sustainability. A wide range of speakers from various fields were invited to discuss on the theme, "*Bridging the Financing Gap on the SDGs*".

### **DIGITAL HR**

Last year marked a milestone for our HR department. As part of Phase 2 of the Oracle HCM system, AfrAsia went live with the following modules deployed on the cloud:

1. Recruitment
2. Learning
3. Talent and Succession
4. Compensation and Benefits

Oracle Self Service Human Resources (HR) enables our HR department to update and use AfrAsia Bank’s employee specific information, online via a browser, that is personalized to an individual's role, experience, work content, language and information needs.

These four modules have really helped the organisation as a whole to achieve these following results:

- > Above Modules are used by HR Specialists, Managers and Employees in their everyday work.
- > Mobile application allowing employees to have access to the system at any time and at any place.
- > Absences and work schedules are registered and maintained in the system.
- > Training courses have been uploaded in the system and are used by employees.
- > The recruitment platform enables all stakeholders to have timely access to information and transparency of process as updated information can be accessed through the platform at any point in time.
- > Employees can communicate using their new corporate social network embedded in the system.
- > Employees are able to view their benefits pertaining to their salary package and any other compensations that they are eligible for.
- > Competency alignment and tracking has started with the introduction of a new job profile template encompassing the competencies that the organisation wants to promote in line with its growth plan & vision.
- > Talent retention strategy has been implemented which aims to reward talent according to performance. It is expected that the Talent Management Strategy and Methodology will positively impact talent retention.

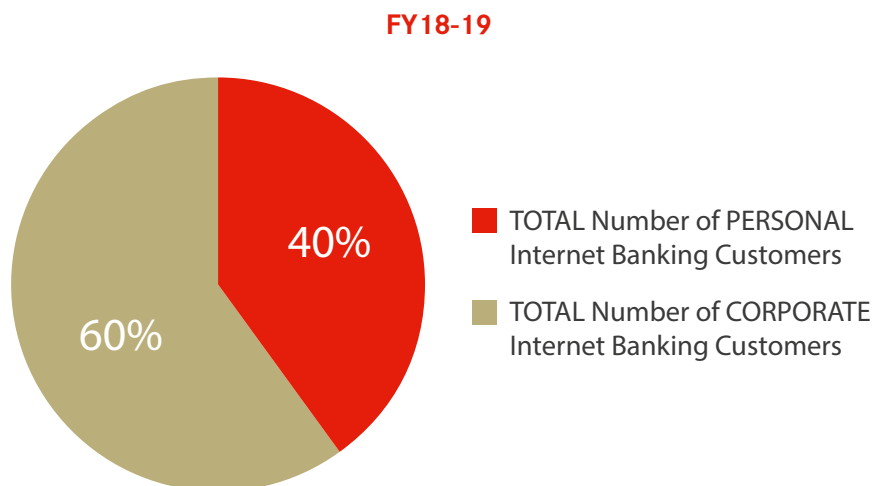
**QUANTUM UPGRADE**

With the objective of building a more homogeneous business model for treasury and to diversify across asset classes, the treasury core system is being updated. This will assist in the growth of Money Markets and Fixed Income business, in addition to FX. The Bank also implemented the modules of Futures/Exchange traded Options and Equities to diversify offerings.

Post upgrade, there is now direct interfacing between Quantum and Data Aggregators/Trading Platforms such as Reuters and Bloomberg. Existing Quantum V5 has been upgraded to V6.7.

**INTERNET BANKING**

The Internet Banking (IB) facilities are available and accessible to all the Bank’s clients. Internet Banking is linked to our “Bank Different” Strategy and part of our digital transformation journey. We have noted an increase of 29% in the number of transactions completed on our IB Platform from FY17-18 to FY18-19.



*Graph depicting the number of Internet Banking Customers by type*



## ETHICAL BEHAVIOR AND COMPLIANCE

GRI 205-2

We take an active role in ensuring that our employees adhere to the highest ethical behaviour and comply with the appropriate regulations and legislations. Good corporate governance builds trust and predictability. It helps in generating comfort to investors and other relevant stakeholders, including our regulator and also acts an effective corporate governance framework to mitigate various risks. Additionally, it provides support and advice to business lines, management and the Board and assists in regulatory matters. Furthermore, to ensure compliance with laws and regulations and Good Governance, relevant departments are also trained on these matters as follows:

Month	Count	Training provided
August 2018	1	Restrictions from correspondent bank and other activities
September 2018	1	Training on International Sanctions
October 2018	1	Induction Session – AML
February 2019	1	AML/Account Opening
March 2019	1	Risk Assessment Checklist
April 2019	3	(i) KYC Best Practice (ii) Refresher training on AML & CFT (iii) Refresher training on CRS
June 2019	1	AML Induction

A robust compliance system protects the Bank against investments and transactions that may be linked to terrorism, child labor, human trafficking etc. Our compliance department ensures that a due diligence is carried out on all potential partners of the Bank. This due diligence process is an in-depth search, which looks at the company and its directors in a 360 degrees. Even for dealings with our suppliers, we ensure that:

- a. Financial soundness clearance is received from Credit Department
- b. Compliance Clearance is received from Compliance Department

Our Compliance department has set forth policies and procedures that provide guidelines to our employees to detect money laundering, corruption, fraud and anti-competitive practices. We also have a Corporate Integrity and Whistle Blowing Policy that allows our staff detect and report irregularities. These irregularities are then investigated and may lead to disciplinary actions.

## IT SECURITY

GRI 418-2

As a Bank, we deal with sensitive data from our clients, employees and partners on a day to day basis. We remain committed to ensure that we comply with the latest Mauritian and International data protection frameworks so that our operations provide a high level of data security.

Data security breaches are a threat for not only our reputation but also come with huge costs for the Bank.

Various initiatives have been implemented since the past years in order to ensure compliance and protect the data of our stakeholders:

1. Data classification has been implemented to ensure proper classification and protection of data. This also controls access to data on a need to know basis.
2. Device security is catered for inside and outside the Bank to detect and correct potential problems that can be used by attackers to gain access to its systems as well as protect devices inside and outside the Bank. Penetration tests and vulnerability assessments are regularly conducted to detect any weaknesses in systems and take corrective action.

3. Our employees are regularly trained in the fundamentals of IT security and to this end, various courses have been conducted:

- › Security Awareness Fundamentals on the basics of security, completion rate 78%.
- › GDPR Awareness Training – teaching our staff about the requirements of GDPR and how to use data securely, reaching a completion rate of 93%.
- › Safe Web Browsing to teach our staff how to use the Internet safely in and out of the Bank, 78% completion rate.
- › Data Classification training to empower the staff to make smart decisions about sensitive data is currently ongoing.

4. We also conduct regular phishing tests since this is one of the most common sources of attacks. We are pleased to announce that the last campaign has a victim rate of 1.3% (4 staff out of 303 targeted) against the industry average of 26%.

Other interesting security statistics, which showcase the robustness of our system are as follows:

- › 1.52 million spam emails blocked out of which 6778 were phishing mails. Phishing remains a very effective attack and AfrAsia wants to ensure our staff are not easy targets. We also inform end-clients if we detect that their information is being used in phishing attacks.
- › 6522 malware confirmed and blocked. Our staff are aware of virus threats and regularly consult IT Security for advice if they are unsure.
- › 2 fake website takedowns completed. Attackers copy our websites to try to steal details from our clients. IT Security team keeps a close watch on our website and react quickly if any fake websites are detected.

## **HERITAGE SITE**

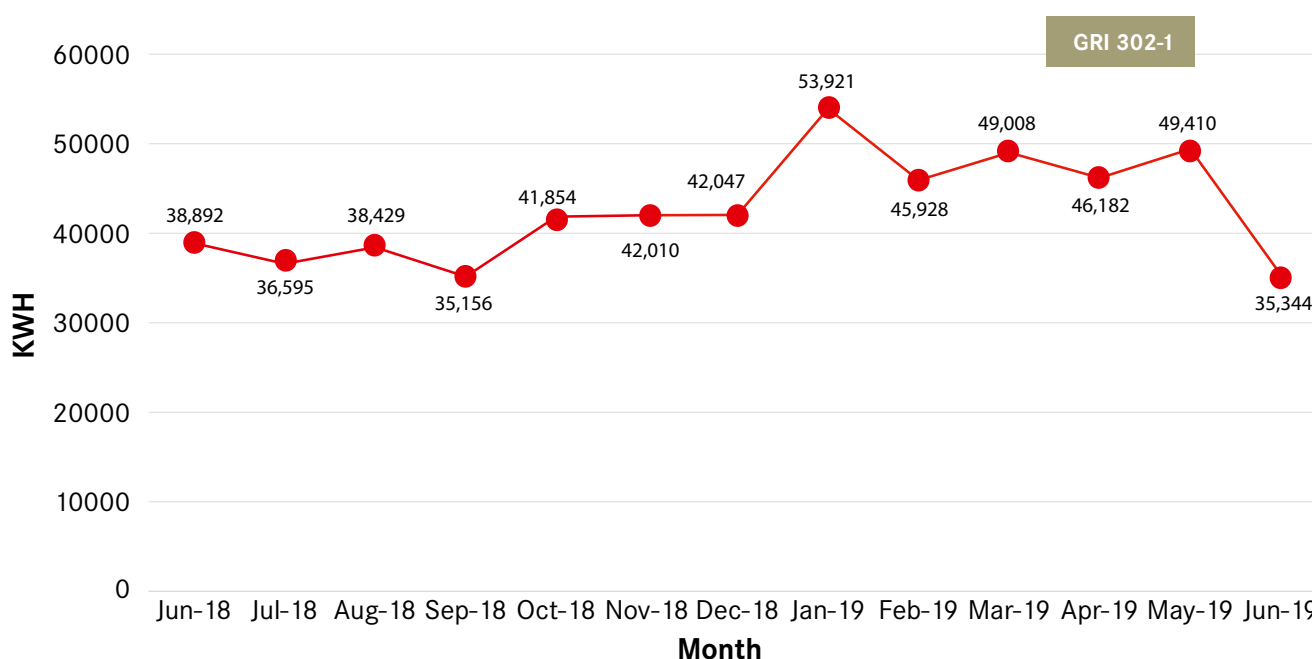
AfrAsia Bank's headoffice in Port Louis is also a historic building dating back to 1879, which is listed as a National Heritage site. Part of the AfrAsia team works in this building, which is the pride and joy of the Bank. We ensure that it is well maintained at all times. Any issues are dealt with promptly to avoid any degradation of same. In line with the Global Goals 11, we aim to continue in our efforts to safeguard and preserve this rich cultural heritage site.

## PILLAR 3: ENVIRONMENTAL RESPONSIBILITY (Natural Capital)

Management of our natural resources is of up most importance for the Bank. We wish to steadily integrate environmental consciousness in everything we do. In this section, we have explored various aspects of environmental management at AfrAsia.

### ELECTRICITY CONSUMPTION

#### ELECTRICITY FOR EBENE OFFICE



Around 21% of the electricity produced by Mauritius comes from renewable sources (<https://www.export.gov/article?id=Mauritius-Renewable-Energy>). It is our responsibility to ensure that we manage our energy consumption in an efficient and responsible manner.

In this financial year 18-19, the total electricity consumption was around 515,882.47 kWh as compared to 502,977 kWh for the previous year. Although there has been an increase in number of staff by 20.83%, as well as additional installation of hardware and other equipment consuming electricity, overall increase of electricity consumption has gone up by 2.57 % only. However, if consumption per head is computed, there has effectively been a noticeable decrease in consumption, which is a testament to AfrAsians being more efficient in their management of electricity at work.

FINANCIAL YEAR	Average No Staff*	Electricity Consumption- kWh	Average per Head kWh
18 - 19	406	515 882	1271
17 - 18	336	502 977	1497

\*Average number of staff was used as number of employees fluctuate on a monthly basis.

- › Electricity consumption has increased by 2.57 %
- › Number of staff – increased by 20.83%

Given that the Bank is currently on a growth phase, we are not using these figures as benchmark. However, a monthly monitoring is done in order to investigate any irregular and abnormal peak in electricity consumption.

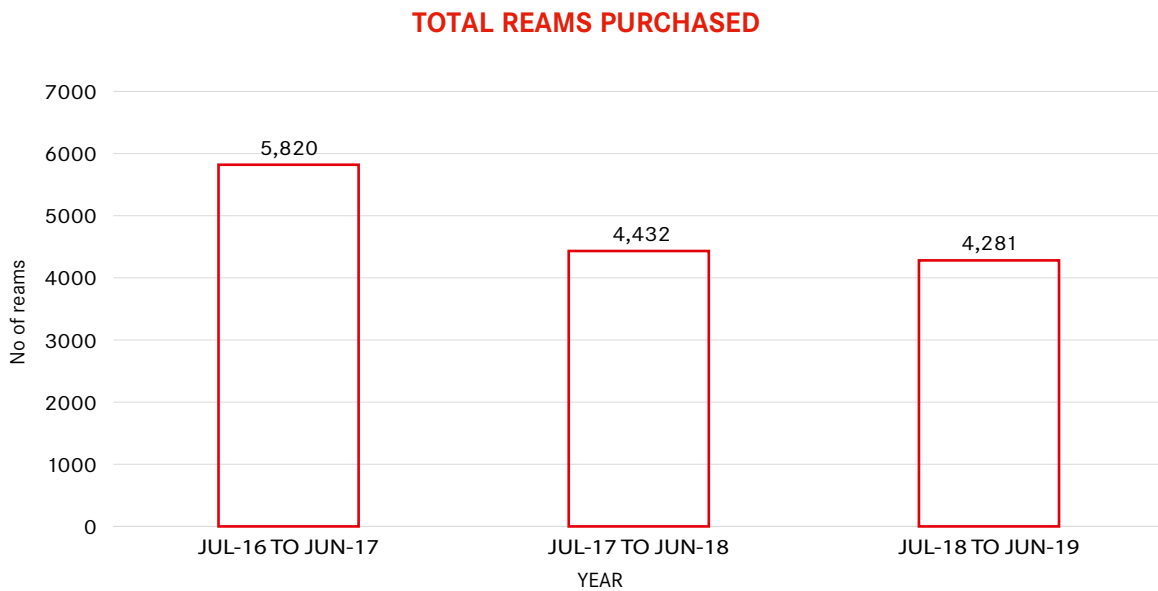
An online awareness campaign will be done in the upcoming months to promote awareness on responsible energy management and we will present a project on how to responsibly manage energy at AfrAsia.

**WASTE MANAGEMENT**

A complete review of our waste strategy is currently in progress. As a Bank, our main types of wastes are as follows:

1. Paper
2. Electronic Waste (E-Waste)
3. Plastics and others

**Paper**



Paper is used extensively in banks both internally and externally to communicate with customers.

Various paper saving initiatives have been implemented by the Bank. We encourage all clients to register to our Internet Banking platform, E-statements & E-advice at all levels which is free of cost, while charging for any paper work. Departmental initiatives such as from the Global Business Line have also been implemented whereby we have engaged in differentiating the pricing structure for items that would use energy and paper on a day to day, thus our clients are offered a much better pricing when doing transactions online in such a way to discourage manual transfer, moving towards automation and multi factoring authentication. We have been able to maintain a decrease in paper consumption throughout the years despite an increase in the number of staff, which is an achievement for AfrAsia.

**E-Waste**

GRI 306-2

Electronic waste also known as E-Waste is a major challenge for the Bank. These are packed with harmful materials that are toxic for the environment if not properly disposed of. Many of the components of E-Waste can also be reused and recycled with minimum harm to the ecosystem.

The sustainability and facilities department collaborated on a project with BEM Recycling, a recycling company for E-waste in order to responsibly dispose of electronics no longer being used at AfrAsia.

Collection Date	Items Collected	Quantity in Kgs
28/02/2019	1 Printer, 32 Laptops, 2 IPAD, 1 Cheque Scanner, 31 Mobile Phones and 3 Iphones	156.64
31/05/2019	36 Laptops, 1 Paper Shredding & 14 Mobile Phones	129
Total Quantity Collected		285.64

This is a project which will be continued in the coming years as e-waste is an ongoing issue at the Bank.

## DARE & SUSTAINABILITY

For this new FY, the culture ambassadors will promote the sustainability concept for every event/initiative that the group will be organizing by:

- > Using ceramic or bio-degradable plates/utensils for events; and
- > Recycling every cartons/used paper/bio-degradable plates used.

The DARE Culture Ambassadors Group wishes to positively impact and influence all staff, by encouraging them in adopting the People, Planet and Profit approach in the activities that meet the needs of the enterprise and its stakeholders today while protecting, sustaining and enhancing the human and natural resources that will be needed in the future.

## SOURCING POLICY

GRI 308-2

Our Procurement Policy Framework sets forth the expectations for our suppliers in terms of environmental sustainability. We reserve the right to refuse entering into business with suppliers that have proven records of misconduct in their environmental practices.

This year, the sustainability department along with our sustainability champion from the procurement department will focus on finding ways to assess suppliers on their environmental practices in a practical manner.

## Radio Frequency Identification (RFID) Technology

The Bank has implemented RFID that allows the near-real-time information management of visitors, assets and inventory.

(i) Visitors Management System (VMS) with RFID Technology - ensures proper tracking of visitor's data and customers entering the bank. The impetus behind this initiative is to protect our people and Bank's premises while enhancing customer experience and take decisions based on visitor behaviour/profile analytics.

(ii) Asset Tagging System (ATS) - RFID tagging of all assets/inventory

Through this system, which automatically uploads the relevant information to an online database, we have become more efficient in asset and inventory management.

In the future, we hope to use this technology to improve on our environmental sustainability through its potential to support Green supply chain management practices.

## PILLAR 4: SOCIAL RESPONSIBILITY (Social & Relationship Capital)

Our ability to sustain strong relationships with customers and the wider Mauritian community is vital for the Bank. Our approach to this pillar is divided into three main categories:

1. AfrAsia Foundation (as the basis for our Corporate Social Responsibility Commitment);
2. Engaging with our various stakeholders; and
3. Customer Experience.

### AFRASIA FOUNDATION

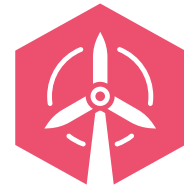
With the unceasing support and guidance of AfrAsia Bank, the AfrAsia Foundation (“AF”) continues to focus on its mission of Shaping A World of Difference by funding sustainable projects that support the environment and society to help build thriving communities (Corporate Social Responsibility).



Make a significant impact in the lives of socially-challenged communities through actions that foster sustainable livelihood



Undertake ecological endeavours that protect the environment and conserve natural resources



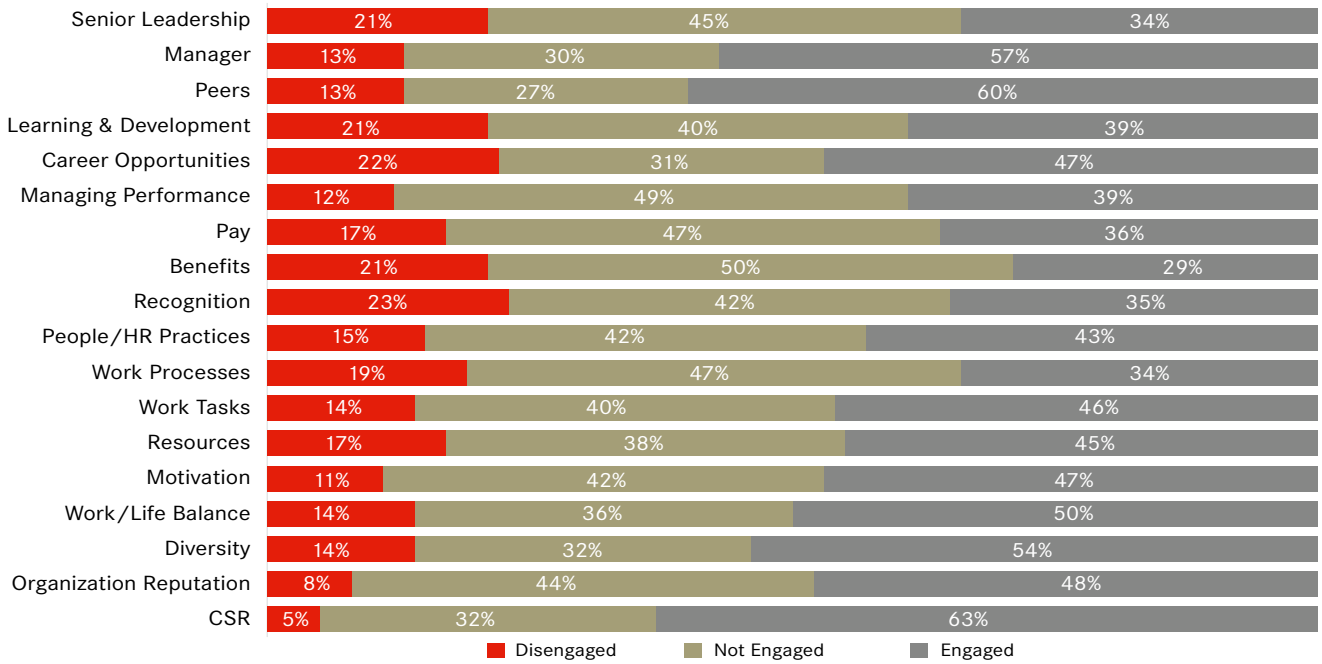
Support activities related to education, health and climate change to promote sustainable development

*Source Sponsor An AfrAsiaKid Brochure*

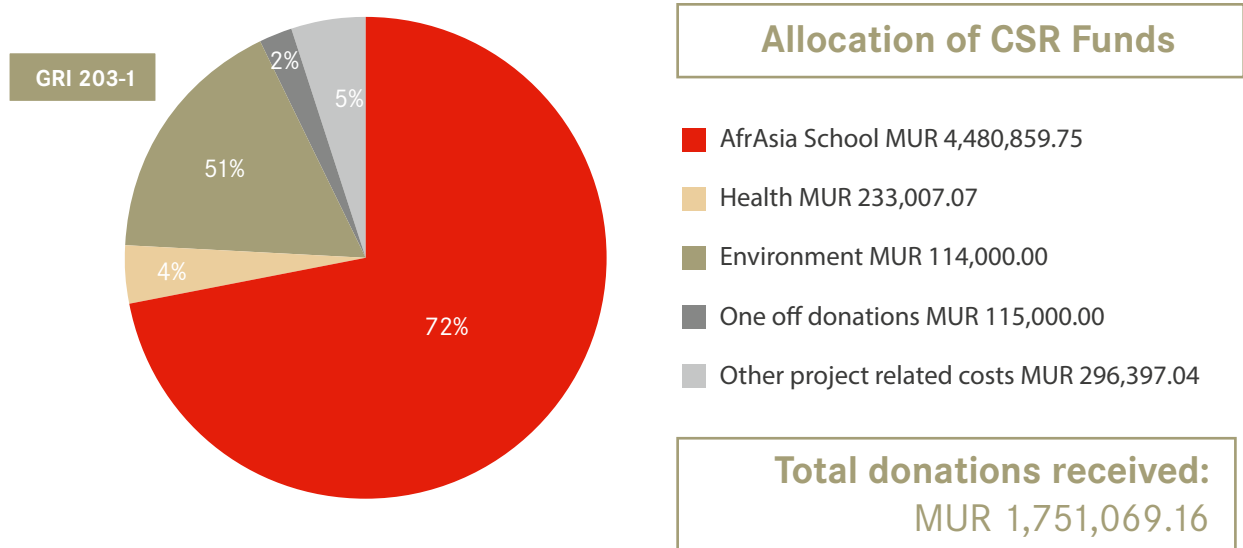
During the Employee Engagement Survey done in 2019, CSR scored high in terms of engagement drivers as shown by the graph below. This is an ode to the fact that AfrAsians believe in AfrAsia Foundation’s mission of Shaping A World of Difference. It also supports the below aims:

1. Continuously ensuring that AF is part of ABL’s DNA;
2. Educate the staff on the importance of ABL’s social commitment; and
3. Increase the commitment of ABL staff towards our CSR initiatives.

**DISTRIBUTION OF ENGAGEMENT DRIVERS:  
AFRASIA BANK**



AfrAsia Foundation is registered under the Foundations Act 2012, has its own charter and is governed by 18 policies whereby a company secretary, DTOS, ensures proper compliance with the policies at all times. The Foundation is also governed by 8 council members who decide to which projects the funds are allocated to.



Graph depicting allocation of CSR Funds for Afrasia Foundation

## Education

### *AfrAsia School*

Now in its second year of operation, as at June 2019, The AfrAsia School project consisting of an Early Childhood Programme, an Afterschool Programme and a Parent Empowerment Support Programme welcomes:

- › **44** AfrAsia Kids who are enrolled in the Early Childhood and After School Programme.
- › **41** Families in the Parent Support Programme.

The beneficiaries were selected based on:

1. The Social Register of Mauritius criteria which is part of the Ministry of Social Security, National Solidarity and Environment and Sustainable Development (Social Security and National Solidarity Division).
2. The National CSR Foundation criteria
3. Catchment area of AfrAsia School (Vacoas & Curepipe)
4. The social worker and director of the school interview each beneficiary and undergo at least 3 site visits at the beneficiaries' residence to ensure that they enter the criteria set.

All the initiatives and projects of AfrAsia School have been conceived and shaped in alignment to the Sustainable Development Goals (SDGs) of the United Nations:

#### SDG 1 No Poverty

Basic needs in terms of clothes/materials are provided to the AfrAsia Kids and their parents that allow them to live a decent life.

#### SDG 2 Zero Hunger

AfrAsia Kids are provided with 3 meals per day. Their parents are also supported through collaboration with other NGOs if they are not able to afford food. According to the nurse's report, this has proven to be an effective means of ensuring that the AfrAsiaKids benefit from adequate nutrients intake for a healthy development (brain and body) and hence favorising their capacity to learn leading them to succeed.

#### SDG 3 Good Health

AfrAsia School's health care support programme ensures that the beneficiaries of the pre-primary programme benefit from a follow-up with a nurse every two weeks and with a doctor twice a year if needed. The social worker also works in close collaboration with the parents to ensure that they understand how to take care of their children and what to do in case they are sick. If need be, the social worker accompanies the parents to the hospital/local health centers.

#### SDG 4 Quality Education

The national curriculum is taught at AfrAsia School. However, the teaching methodology is based on the Montessori approach. With a Montessori consultant visiting the school once a week, the staff get the relevant support to apply this holistic teaching method correctly.

#### SDG 5 Gender Equality

The Parent Support programme at AfrAsia School involves both parents and ensures that they are given the right support to be more independent and autonomous.

#### SDG 6 Clean Water and Sanitation

Free filtered water is offered to all beneficiaries of AfrAsia School. A shower has also been installed at the school for the kids and parents who do not have running water at their place.



## SDG 10: Reduced Inequalities

The teachers of AfrAsia School are from an underprivileged background and have been hired regardless of sex, race or ethnicity. They have also been given the opportunity to be trained and monitored by professionals and their salaries are according to the benchmark for this sector.

AfrAsians are encouraged to participate and volunteer through various activities:

### 1) Sponsor An AfrAsiaKid Programme

Our 'Sponsor An AfrAsiaKid' Programme was launched during ABMO 2018, to offer staff and clients the opportunity to make a priceless investment by positively changing the life of a child.

69 staff participated in this scheme in this financial year.

Next year, this project will be rolled out to our clients.

### 2) Breakfast with AfrAsiaKids

"Breakfast with AfrAsiaKids" initiative was implemented to enable our staff and clients to visit and create a bond with the child they are supporting through the "Sponsor An AfrAsiaKid programme". Moreover, to link the new AfrAsians to the Foundation's initiatives, this activity forms part of their induction process.

### 3) Wish Tree Initiative

The third edition of the Wish Tree Initiative took place in December whereby the clients and staff made monetary as well as in-kind donations to offer gifts amounting to MUR 3000 to each AfrAsiaKid.

Types of donations	MUR
Internal	29,648
External	14,000
TOTAL	43,648

## Golf Academy

In view of identifying, inspiring and empowering junior golfers, AfrAsia Bank Limited through its CSR initiatives launched the AfrAsia Golf Academy in 2015. The Academy showcases the Foundation's engagement for supporting underprivileged children through the development of sports and also reinforces our commitment to the socio-economic development of Mauritius.

During the 5th edition of the AfrAsia Bank Mauritius Open, the beneficiaries of the AfrAsia Golf Academy participated to the golf clinic held on the 1st December. Through this initiative, the youngsters aged from 11 to 16 years old had the opportunity to be linked to professional golfers, learn new golfing techniques as well as assist their first golf event.

## Health

Various health awareness initiatives have been undertaken by AfrAsia Foundation in an effort to promote awareness on the main issues affecting the Mauritian population.

### 1. Movember

We call our male AfrAsians participating in the Movember initiative, an annual event involving the growing of moustaches of men during the month of November, as our "MoBros". The main aim is to raise awareness of men's health issues; namely: Prostate cancer, Testicular cancer & Men's suicide. This initiative is adapted from <http://mobro.co.nz/what-is-a-mobro/>.

With the support of our 25 MoBros, we were able to raise MUR 474,500, which were donated to Link to Life for the maintenance of the Linear Ultrasound probe and the Ultrasound machine, purchased by AfrAsia Foundation for cancer screening purposes targeting the vulnerable and underprivileged.

## 2. Blood Donation

For the second consecutive year, AfrAsia Foundation together with the Corporate Banking Team and the Ministry of Health organised a blood donation which has helped collect 126 pints of blood from 176 participants.

## 3. Collaboration with NGO “Link to Life”

3 Fun days were organised for children fighting cancer in collaboration with Link to Life. This was an opportunity for our employees to volunteer and understand how this disease affects the patient and his family.

## Environment

The Environment Pillar of the Foundation is developed through the following initiatives:

1. Collaboration with NGOs for e.g. “Reef Conservation”, whose mission is to action on the conservation and restoration of the marine environment of Mauritius. They do so through the implementation and management of conservation, research, education and sensitization projects.
2. Greening of AfrAsia School – The Foundation would like to invest in projects such as rainwater harvesting, solar panels in order to ensure responsible management of its resources.
3. A programme is also currently being developed to promote awareness on environmental responsibility. The beneficiary of this programme will be kids aged 6 to 11.

## CUSTOMER EXPERIENCE

In view of always enhancing the experience of our customers, at AfrAsia we track and analyse our pain points through customer’s grievances. We encourage the reporting of customers concerns and use the analysis of the root causes to re-think our internal processes and by so doing, constantly challenging the status quo. This allows us to engage with our customers and to identify how we can improve the service levels. Grievances are considered as an early warning sign for us and we provide multiple channels to customers to report any disruption in their banking journey as this is an opportunity for the Bank to regain customers’ loyalty.

- › We view it as an opportunity to regain our customer’s loyalty
- › They are an early warning sign of an emerging process
- › They help us in identifying areas in which we can improve Customer Experience

Channels available to customers to report grievances include:

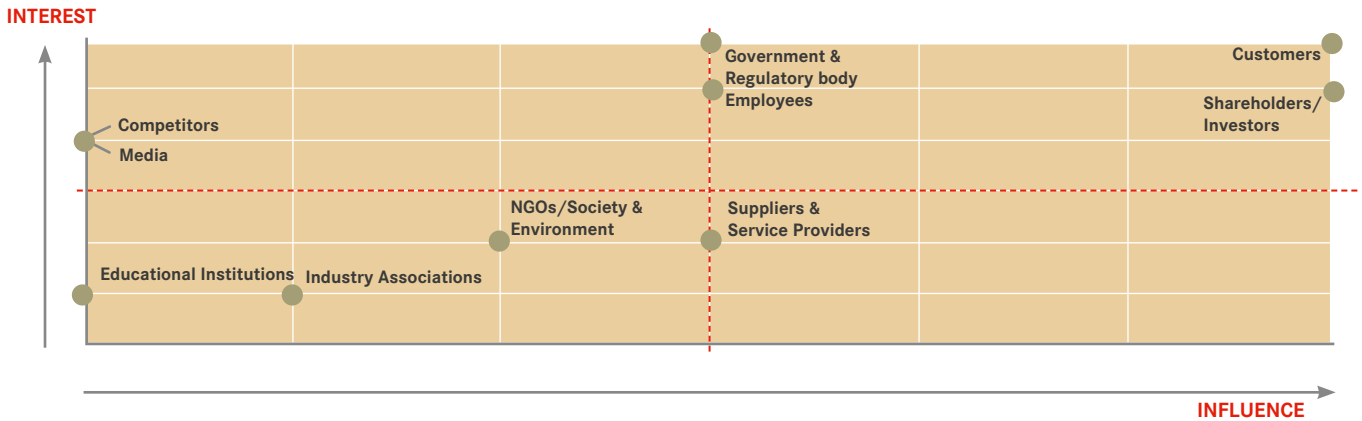
- › In writing
- › By phone
- › By fax
- › Online
- › Through email
- › Complaints Box in Branches (Ebene & PortLouis)

As our customers are at the heart of everything we do, we have reinforced our complaints handling process and perform monitoring as well as reporting on a daily basis. All staff have also been sensitized to promptly report grievances and have been trained on how to handle them. The internal communication was also improved in case of customer impacting issues and this allowed a quicker turnaround time to manage potential issues prior to them impeding on the customers’ experience. All the initiatives undertaken resulted in a significant decrease in

complaints level when compared to January 2018 and the Bank attained a notable achievement of having a zero official complaint month in January 2019.

### ENGAGING WITH OUR STAKEHOLDERS

Last year, we conducted a stakeholder exercise through which we classified the stakeholders according to their involvement, interest and influence in the Bank. This exercise involved identifying and prioritizing our key stakeholders in order to maintain a dialogue, correctly determine their needs and respond to their feedback in an efficient and timely manner.



Additionally, we engage with our stakeholders on sustainability topics through various means including:

- › Awareness workshops for our sustainability champions

AfrAsia Bank’s Sustainability Committee is made up of “champions” from all departments of the Bank who exemplify AfrAsia’s commitment to sustainability. In May 2019, the champions were given a 1 ½ day workshop by sustainability consultants, who customized the course for the AfrAsians. The main objectives of this workshop were to:

1. Allow our champions to gain an understanding of sustainable development in real world;
2. Provide a better understanding of ABL in regard to sustainability; and
3. Equip our champions with the tools to apply sustainability in their respective departments.

Following this training, some of our champions have brought forward projects which will be implemented in this financial year.

- › Employees – Internal Communication, Social Media, Emails, Integrated/Sustainability Reports
- › Customers – Emails, Social Media, Integrated/Sustainability Reports
- › Regulators - Integrated/Sustainability Reports
- › Government - Integrated/Sustainability Reports, Participation in the development of the Voluntary National Review (VNR)